



April 13, 2018

Hon. George B. Daniels
United States District Judge
United States District Court - Southern
District of New York
500 Pearl Street, Room 630
New York, NY 10007

Re: *Commodity Futures Trading Commission v. Stephen Walsh, etc., et al.*
U.S. District Court, Southern District of New York, Case No. 09-CV-01749-GBD
Securities and Exchange Commission v. WG Trading Investors, L.P., etc., et al.
U.S. District Court, Southern District of New York, Case No. 09-CV-01750-GBD

Dear Judge Daniels:

We are lead counsel for Robb Evans & Associates LLC (the "Receiver"), the Receiver pursuant to various Orders issued by Your Honor in connection with the above-referenced matters.

We write to you at this time seeking Your Honor's approval for the Receiver to reduce the purchase price for the sale of certain real property owned by Delaware Land Associates, L.P. ("DLA"), a Delaware limited partnership. Oriskany, Inc. ("Oriskany"), is the general partner of DLA, and Walsh Greenwood & Company is the limited partner of DLA. Defendants Stephen Walsh and Paul Greenwood are the general partners of Walsh Greenwood & Company.

By way of background, on October 31, 2017, Your Honor approved a "So Ordered" letter authorizing the Receiver to move forward with the sale of certain real property for the sum of \$514,000.00. For the Court's convenience, a true and correct copy of the "So Ordered" letter (without the voluminous Purchase and Sale Agreement) pursuant to which Your Honor approved the sale is attached hereto.

At this point, the buyer of the property, Richfield Funding, LLC (the "Buyer"), is in the process of completing its due diligence in accordance with the Purchase and Sale Agreement. The due diligence period expires on April 29, 2018. In connection with its due diligence, the Buyer has discovered for the first time some additional issues which in its mind, warrant a price reduction. First, there are a couple of additional pumping stations which must be constructed when the first homes are built within the project, which will cost

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approximately an additional \$700,000.00. In addition, providing access to a nearby state highway is likely to cost an additional \$350,000.00, and finally, at the outset of the construction for phase two of the project, a structure to cross the stream will need to be installed which could run an additional \$300,000.00. Hence, the Buyer has identified an additional \$1,350,000.00 of expenses which were unknown to the Buyer at the time that it entered into the Purchase and Sale Agreement and were recently discovered during the due diligence process. In addition, the Buyer has indicated that the storm water management system designed for phase one of the project must be re-designed to address new Maryland state law requirements, at a cost yet to be determined.

Under these circumstances, the Buyer has requested that the Receiver reduce the price by \$50,000 from \$514,000.00 to \$464,000.00. The Receiver is willing to grant the price reduction given the Buyer's discoveries during the due diligence process, and seeks the Court's approval for the price reduction. There is some urgency in obtaining the Court's approval for the price reduction due to the fact that the due diligence period for the Buyer, during which time the Buyer can opt out of the transaction, expires as noted above on April 29, 2018, and therefore, the Receiver requests that the Court review the Receiver's price reduction request as soon as convenient for the Court. Please note that assuming the price reduction request is approved and the Buyer elects to proceed, the sale is currently scheduled to close on May 21, 2018, with the Buyer having an extended closing date at its option of June 20, 2018.

Under these circumstances, the Receiver respectfully requests that the Court "So Order" the Receiver's price reduction request as set forth in this letter so that the Receiver and the Buyer may proceed with the sale of the real property.

Respectfully submitted,

FRANDZEL ROBINS BLOOM & CSATO, L.C.

A handwritten signature in blue ink, appearing to read "Craig A. Welin".

CRAIG A. WELIN
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CAW:bw
Enclosure: as stated

FRANDZ  L

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IT IS SO ORDERED:

_____, 2018

JUDGE GEORGE B. DANIELS
UNITED STATES DISTRICT JUDGE

Attachment

cc: All parties on attached list (via email and/or regular mail)



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SERVICE LIST

COMMODITY FUTURES TRADING COMMISSION v. STEPHEN WALSH, ETC.
USDC - SOUTHERN DISTRICT OF NEW YORK - CASE NO. 1:09-CV-01749 (GBD)

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SECURITIES AND EXCHANGE COMMISSION v. WG TRADING INVESTORS, L.P., ETC.
USDC - SOUTHERN DISTRICT OF NEW YORK - CASE NO. 1:09-CV-01750 (GBD)

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